

## **Inter Pipeline Fund to Provide Diluent Transportation for Suncor Energy**

**CALGARY, ALBERTA, DECEMBER 10, 2012:** Inter Pipeline Fund (“Inter Pipeline”) (TSX: IPL.UN) is pleased to announce it has entered into a binding agreement to transport diluent to Suncor Energy Inc.’s oil sands operations. Under the terms of this 5-year ship or pay agreement, Inter Pipeline will provide Suncor with 10,000 barrels per day (b/d) of committed capacity on its Polaris pipeline system.

Diluent will be transported from receipt points in the Edmonton area to Inter Pipeline’s Sunrise metering station located northeast of Fort McMurray utilizing the 12-inch diameter Polaris mainline that entered commercial service in August of this year. Inter Pipeline will construct a new \$8 million metering facility adjacent to the Sunrise delivery site to handle the Suncor volumes. Diluent deliveries will then be transferred from the Polaris pipeline to a local distribution pipeline owned by Suncor.

Construction will commence in late 2012 and the new facilities are expected to enter service by May 2013. This accretive transportation agreement will generate approximately \$10 million per year in EBITDA that will remain constant over the life of the contract. All operating costs will be recovered on a flow through basis.

“We are pleased to add Canada’s largest energy company to our list of high quality shippers on the Polaris pipeline system,” stated David Fesyk, President and CEO of Inter Pipeline. “This agreement further establishes Polaris as the leading diluent distribution system to Alberta’s oil sands industry.”

### **Inter Pipeline Fund**

Inter Pipeline is a major petroleum transportation, natural gas liquids extraction, and bulk liquid storage business based in Calgary, Alberta, Canada. Structured as a publicly traded limited partnership, Inter Pipeline owns and operates energy infrastructure assets in western Canada, the United Kingdom, Denmark, Germany and Ireland. Additional information about Inter Pipeline can be found at [www.interpipelinefund.com](http://www.interpipelinefund.com).

Inter Pipeline is a member of the S&P/TSX Composite Index. Class A Units trade on the Toronto Stock Exchange under the symbol IPL.UN.

### **Eligible Investors**

Pursuant to Inter Pipeline’s limited partnership agreement dated October 9, 1997, as amended, all unitholders are required to be residents of Canada. A copy of the limited partnership agreement can be found at [www.interpipelinefund.com](http://www.interpipelinefund.com) by selecting “Corporate Governance”. If a unitholder is a non-resident of Canada (“Non-Eligible Unitholder”), he will not be considered to be a member of the partnership effective the date the Class A Units were acquired. Inter Pipeline requires all Non-Eligible Unitholders to dispose of their Class A Units in accordance with the limited partnership agreement.

In most cases, a unitholder with an address outside of Canada will be a Non-Eligible Unitholder.

### **Contact Information**

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### **Disclaimer**

Certain information contained herein may constitute forward-looking statements that involve risks and uncertainties. Forward-looking statements in this news release include, but are not limited to, timing

and completion cost estimates for the Suncor connection project, and forward EBITDA estimates. Readers are cautioned not to place undue reliance on forward-looking statements. Such information, although considered reasonable by the General Partner of Inter Pipeline at the time of preparation, may later prove to be incorrect and actual results may differ materially from those anticipated in the statements made. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements. Forward-looking statements often contain terms such as "may", "will", "should", "anticipate", "expects" and similar expressions. Such risks and uncertainties include, but are not limited to, risks associated with operations, such as loss of markets, regulatory matters, environmental risks, industry competition, potential delays and cost overruns of construction projects, and the ability to access sufficient capital from internal and external sources. You can find a discussion of those risks and uncertainties in Inter Pipeline's securities filings at [www.sedar.com](http://www.sedar.com). The forward-looking statements contained in this news release are made as of the date of this document, and, except to the extent required by applicable securities laws and regulations, Inter Pipeline assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether as a result of new information, future events, or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary note.

All dollar values are expressed in Canadian dollars unless otherwise noted.

### **Non-GAAP Financial Measures**

Certain financial measures referred to in this news release, namely, "EBITDA" and "cash flow" are not measures recognized by GAAP. These non-GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other entities. Investors are cautioned that these non-GAAP financial measures should not be construed as alternatives to other measures of financial performance calculated in accordance with GAAP.